World Chronicle

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UN REFORM

The United Nations recently released its "Report of the Secretary-General on the Activities of the Office of Internal Oversight Services". The Report deals with work practices at the UN and aims at improving the efficiency of its staff members. In this **World Chronicle** episode, Under-Secretary-General Karl Paschke, Head of the UN's Internal Oversight Services, discusses the reforms taking place in the management structure of the Organization.

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ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues.

Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

"The inefficiency of a great deal of administrative activity in the United Nations is perhaps the main impediment to efficiency in its substantive work and operations." This is one of the many conclusions to be found in the recently issued "Report of the Secretary-General on the Activities of the Office of Internal Oversight Services." This is the fourth such report dealing with cases of fraud, waste and abuse within the United Nations system. How successful has the Office been in increasing accountability inside the UN?

Our guest today is Under-Secretary-General Karl Paschke, who heads the UN's Internal Oversight Services. Joining me to talk with Mr. Paschke is James Bone of *The Times of London* and Bhaskar Menon of *International Documents Review*.

Mr. Paschke, welcome to **World Chronicle**.

PASCHKE: Thank you.

LITTLEJOHNS: Mr. Paschke, you've sometimes been called the Inspector General of the UN. Although that's not your official title in fact these are the functions that you perform essentially. You're also part of the reform process that's been going for some time in the United Nations at the behest, very largely, of the United States, but also a number of other members who pay or don't pay the bulk of the money that the UN employs. How successful do you think your office has been in rooting out the waste, abuse and corruption that you were set up to uncover?

PASCHKE: Well, the functions of this office are of a continuous nature and this is not an office that can go for the quick fix and can go for the spectacular results. But I believe in the past four years we have become a major and effective component of the management culture -- the new management culture of the United Nations as I call it -- because I believe that indeed there has been some change, some significant change already in that management culture, particularly during the past two years. The Organization has become more cooperative, it has increased the horizontal

communication, it has increased the interaction between the different duty stations, it has become more transpartent and, therefore, the number of cases of duplication and of waste of resources has decreased. In addition, I would say that the work of my office, the continuous oversight which for the first time in 50 years has developed a mechanism in the United Nations which looks over the shoulders of those who are in charge of management and the operative and substantive activities of the Organization, has made a difference.

LITTLEJOHNS: Let me pick you up for a minute on that looking over the shoulder argument. Don't you feel perhaps, at least it's been said, that this kind of looking over the shoulder of managers has made managers acutely nervous in some cases and therefore they are reluctant to take actions which are actually essential to the proper functioning of the UN Secretariat and also, it has had the effect of curbing initiatives? What's your response to that?

PASCHKE: Well, I think, I would have to say two things to that. First of all, we strongly emphasize the proactive element in our work. We do not want to threaten managers. We don't want to make managers terribly insecure. We want to help them be more effective and efficient and in this respect I think we have already made inroads in the Organization. The second point I have to make in this context is that the administrative procedures in this Organization are still awkward. They are time-consuming, they need to be streamlined, and this is one area in which we are also active but only, of course, because that's the function of my office in terms of recommendations. Basically, it is management that has to take the decisions to streamline the mind-boggling rules and regulations which exist in this organization and which are unfit as a framework, as a guidance to managers particularly in situations that require quick reaction – like for instance, peace-keeping missions, or humanitarian activities.

MENON: But isn't it a contradiction between the two things you've said because the rules and regulation are set by the Assembly, in large part by the member states, and that the management cannot change that structure and yet, it has to comply with it? Isn't it caught in a kind of bind?

PASCHKE: Well, first of all, I don't think it is correct to say that the entire system

of rules and regulations only depends on member states' decisions. The legal framework in which the United Nations works consists very much of a whole set of different rules, regulations, administrative issuances and policies. As a matter of fact, in the field of human resources management there are quite a number of rules and regulations but they are an equally high number of, I should say, unwritten laws and policies and I believe these have to be weeded out. And I would also be optimistic for member states' cooperation and understanding if the United Nations administration made a comprehensive effort to indeed streamline the administrative, legal framework that we are having.

MENON: But haven't they done that? The administration has proposed something called results-based budgeting which will essentially do away with this forest of rules and regulations and allow managers to go ahead and spend the money allocated to the UN the way they see fit and report to the Assembly the way it's being spent, and that particular cart of reform hasn't moved an inch?

PASCHKE: Yes, that is indeed one specific chapter and I have to say it is a very complex chapter of streamlining United Nations operations. I have to tell you, this is my personal opinion, that results-based budgeting is a very good thing but it is not a thing that has been terribly proven in its effectiveness in the world out there. In my recollection there are only two countries that are right now in their national budgeting practising results-based budgeting – Australia and New Zealand. For the United Nations as an international organization that is not, let me put it this way, not known for particularly modern management, to venture into results-based budgeting will require patience and very, very subtle preparation.

BONE: One of the effects of all these regulations is rarely do they fire people even if they do something wrong. Have you ever had an investigation that resulted in somebody being fired from the UN?

PASCHKE: Yes.

BONE: Who was that ?

PASCHKE: Well, I don't want to mention any names here but indeed we have

had some investigations that then led to a disciplinary process which then resulted in disciplinary measures, including summary dismissal. But I have to admit, or rather it's not for me to admit this, but I have to observe that the disciplinary process in the United Nations is very awkward and time-consuming. That's another area which I believe needs reform but that is going to be very difficult.

BONE: Boutros Boutros-Ghali, the former UN Secretary-General, used to work in the Egyptian foreign ministry, bemoaned the fact that the UN was even more Byzantine than the Egyptian foreign ministry and said famously once that "the only way to deal with UN officials was with stealth and sudden violence." Do you share that opinion?

PASCHKE: I don't, I certainly don't and I ...

MENON: Well actually, Mr. Boutros Boutros-Ghali actually denied ever having said that.

PASCHKE: That's right.

BONE: ...as he denied many things that he said and then ...

PASCHKE: No, I would very strongly endorse the way the United Nations is presently managed. I think the current Secretary-General has introduced a culture of dialogue and of participation and of transparency which I believe is the exact way in which the United Nations should be managed.

BONE: So all these inefficiencies that you investigate how much of it is rank corruption and how much of it is just stupidity and laziness and less culpable sins?

PASCHKE: I would say that of the mistakes that we identify 90-95% are based on what sometimes is called honest mistakes. In other words, mistakes that are made because a manager doesn't know better or he has not thought enough. He has been...

BONE: What would be examples of honest mistakes?

PASCHKE: Well, for instance, the procurement process that would disregard the bidding requirement simply because one says "well, we don't have the time to do that or..."

MENON: But easily 50-60% of the cases that you've, really the serious cases, all have to do with procurement ...

BONE: That's where the money is....

MENON: ....and how time after time, they have been deliberately ignored and there are obvious cases of corruption there.

LITTLEJOHNS: But surely in many cases they have ignored the rules and regulations because of the urgency of procuring something?

PASCHKE: Now once again I have to repeat myself. I think the overwhelming majority of the cases of irregularities and non-compliance with rules and regulations have been caused by laxity or by laziness rather than intentional wrong-doing.

MENON: Can I ask you a very specific instance? One of the most outrageous examples listed in your latest report is that relating to the Habitat Conference where the person appointed to run the Conference spent 80% of his time travelling and ran up an airline bill of about 360,000 dollars, and his deputy travelled over 50% of his time. And they kept no accounts, they spent money that they did not have. Every step of the way it was mismanaged. The alarm bells on this went out about a year after the man started in this job, no one took any action. Why?

LITTLEJOHNS: And he is still with the system...

MENON: He's still with the system. He has been not even taken off. Of course the Habitat Conference is over, the man who should have been fired is now back to his old D2 job. I don't know what he is doing but he seems to be warming a desk, or warming a chair.

PASCHKE: I'm not particularly familiar with what this gentleman now does but I would say that indeed the reaction that was given to our Report was eventually quite effective.

MENON: Yes, but the question is that you don't address the issue. If you say that there is more accountability, there was an Ambassador's group in Nairobi that sounded the alarm bells the first year that the man was on the job and no action was taken. This was raised by journalists at the UN at the briefing, the regular briefings at the UN.

LITTLEJOHNS: But was it raised with Mr. Paschke's office?

MENON: No, it was raised officially to the Administrator and then mid-way

through the proceedings, a report came out saying that this was happening, an official report. So the Secretariat itself put out a defence of this and we were told, the journalists of the UN were told that everything is fine, there are no problems. Obviously there is something of a break here in accountability.

PASCHKE: Well, once again, I have to say that my Office then audited the case and we also investigated the question of accountability there, and we came to a rather clear-cut conclusion which resulted in decisions by the Secretary-General which you all know. And also, of course, the real problem in all of this...

BONE: We don't all know, but.... Well I'm sure our viewers don't know.

PASCHKE: No, I mean that the person that we are talking about was then removed from that particular job and has been replaced. The more important and, I guess, the more weighty consequence from all of this was that Habitat had to be restructured, and this is a task which is still on-going. And it is very difficult because Habitat is one of those agencies that is relying mostly on voluntary contributions and where once the confidence of the donors has been shattered, it is very difficult to build it up again. But this is one of those typical cases where the UN as an organization has to struggle and see how it can best remedy things.

MENON: But another example in your report ...

LITTLEJOHNS: Before you ask another question please. This is **World Chronicle.** Our guest is Under-Secretary-General, Karl Paschke, who heads the UN's Internal Oversight Services.

MENON: Another example in your report is that of the Rwanda Tribunal, the International Tribunal set up in Rwanda, where one of the employees of the Tribunal has admitted to requesting money from two of the attorneys practising before the Tribunal. And you point this out and you also point out that no action has ben taken against the man despite your report. Again, isn't there a break in accountability here?

PASCHKE: Well, you might call it a break in accountability, I would call it a slow-down in accountability which I deplore but we keep the manager's feet to the fire on this one and on all other cases. And to come back on the first question, how effective is

the office, I think I could point to a rather impressive figure in our fourth annual report which says that 73% of our recommendations, of the more than 4,000 recommendations that my Office has produced in the past four years, have been implemented. That is a very high figure by any oversight standard and shows that we are having an effect on the Organization. Now, as a journalist, I certainly understand that you point to implementation that may be too slow for your judgment but I have to be realistic and I have to admit to the fact that this Organization sometimes reacts too slowly. But I find it more important that the Organization eventually reacts in the form of a full implementation of our recommendations and that seems to be the case.

BONE: In your four years Mr. Paschke, what's the most spectacular case of corruption you have come across?

PASCHKE: We have come across a number of cases which are still on-going. One is... It really depends on what you would call the criteria of the corruption.

BONE: How about audaciousness?

PASCHKE: Well, audaciousness, I think the case that we have indeed successfully concluded last year probably took the cake. That was a UN, an UNCTAD employee in Geneva who embezzled ...

LITTLEJOHNS: UN Conference on Trade and Development...

PASCHKE: Yes I'm sorry, I'm still with these acronyms... Yes an employee of the United Nations Conference on Trade and Development in Geneva who, over seven years, had embezzled somewhere in the neighbourhood of 500,000 dollars from the Organization by inventing and documenting training seminars that never took place, and collected the money for the participants who did not exist and who had allegedly asked him to collect the money for them.

LITTLEJOHNS: Was he sent to jail?

PASCHKE: He was sent to jail and my Office was successful in retrieving more than half of the money that he had embezzled from the Organization.

LITTLEJOHNS: Mr. Paschke, let me ask you a question. Have you ever been threatened by anyone because of your activities?

PASCHKE: Well, it depends on what you call a threat. I don't ....

LITTLEJOHNS: Physical violence or some other...

PASCHKE: So far I have not been threatened with physical violence but, of course, we have received a number of threats going from exposure to the media to, indeed, court action against us and things like this.

LITTLEJOHNS: What about by governments? Have governments expressed displeasure with your activities at any time?

PASCHKE: That has also been the case. I am not going into details here, but I have to tell you that a number of governments seem to be more sensitive when one of their nationals becomes the object of one of our investigations. I have to live with this and I have to just make sure that our investigations and all the other oversight activities that we do are done in complete observation of due process and, of course, within the legal framework of our Office and the United Nations, so that I can always point to the legitimacy of what we are doing and thereby actually pulling the rug under those who suggest that we are doing things.

LITTLEJOHNS: You don't want to be the Kenneth Starr of the UN?

PASCHKE: I certainly don't.

MENON: Can I ask you about this UNCTAD business that you mentioned? The case came to light not because anyone blew the whistle or because anyone came on, happened on what he was doing, it came to light because the man fell ill and was in the hospital and was not there to collect some check or to sign some document and therefore it came to light. Now what percentage of ...

PASCHKE: No, I have to disagree with that. It came to light because two of the employees in the same office, when the man was sick, went over the books and suddenly discovered that there were some entries that didn't seem to make sense.

MENON: But it happened because he was in the hospital not because of anyone blowing the whistle on him?

PASCHKE: Yes.

LITTLEJOHNS: This is the guy who went to jail?

PASCHKE: Yes.

MENON: Now the question that leads to is what percentage of your investigations results from whistle blowers?

PASCHKE: Very few. I have to say very few. Whistle blowing is really not terribly popular in the United Nations and I am not unhappy about that. Most of the cases that we investigate stem from requests from managers who feel that there is something fishy in their operation and would want to have our professional investigators look into the matter.

BONE: But you have some kind of tips line for whistle blowers, don't you?

PASCHKE: That's right, I do have a ...

BONE: ...where you ring up 1-800-PASCHKE or something.

PASCHKE: No, no.

BONE: How does it work?

PASCHKE: No, it's one of the UN numbers, 963-..... We don't ...

BONE: Do you get many calls on that? How many calls do you get in one week or more?

PASCHKE: As I said, we do not get too many calls on the hotline, we get regular input and we get a lot of it through our regular mail and also of course, through our regular lines because ....

BONE: Now recently....

PASCHKE: Let me finish this and let me tell you that I am really proud of the fact that most of the people who give us information do so without choosing anonymity. Because we have encouraged them to make themselves available as a source in exchange for our promise to them that we will treat the input with utmost confidentiality. And I think that is a better way of dealing with irregularities in an organization and informing the authorities about this rather than the whistle blowing, the anonymous whistle blowing.

BONE: Recently you did a report about peacekeeping operations around the world and said that millions of dollars of equipment had flown out of the door in various peacekeeping operations, particularly during the surge in peace-keeping that took place in

the early 1990's. My favourite theft wasn't actually mentioned - it was the disappearance of 3.9 million dollars in 100-dollar bills from a filing cabinet where it was being kept in the UN operation in Somalia. But tell us a little bit about the problems of peacekeeping and whether you think now the controls are better?

PASCHKE: Well, first of all the number of peacekeeping missions has decreased, as you know. Also, the Department of Peacekeeping Operations has, over the years, gained more expertise in handling peacekeeping operations and, therefore, the start-up phase of a peacekeeping operation is now organized in a much more stringent and reliable manner. The books are kept better, the registers of material that is being used in a peacekeeping mission are kept in much better shape and I have to say that the Department of Peacekeeping Operations has been one of our better, actually our model clients because they have followed meticulously our recommendations. And one of the recommendations that we made a few years ago, shortly after I came, was that the Department of Peacekeeping Operations has to have a lessons learned unit where they indeed document the experiences that they have made in one spot and draw from it the lessons for the next time. This did not exist before we came on board and it now exists and the Lessons Learned Unit has done very good things for the organization of peacekeeping operations.

MENON: One area in which the UN has consistently had problems is procurement. And very often the problem is that it's rigged bidding and things like that. There have been sweetheart contracts. Yet the UN will not, as its financial regulations require it to, make public the end of the bidding process. In other words, when bids are announced the financial regulations say it must be in public. I have raised this question time and again over the years.

LITTLEJOHNS: The UN does not do that?

MENON: No.

LITTLEJOHNS: How can they refuse to do it if it's in the regulations?

MENON: They refuse to do it by saying that they define the word public to mean anyone they invite. And this has been – I have it in writing from the Director of the Procurement Division. How can you let this go by?

PASCHKE: Well, we are still in the process of improving procurement and one of the issues that we will be addressing in this context is particularly this issue. I think there is some merit in defining the word public in this way...in other words...no I don't think so....

BONE: It sounds ludicrous to me.

MENON: The word public does not mean an invite audience.

BONE: If they wanted to give it to the bidders say give it to the bidders, don't say give it to the public. I would say that the intention of the regulation wasn't there. It is the kind of thing we get into at the UN, people saying that words mean things that they don't mean.

LITTLEJOHNS: Let Mr. Paschke explain.

PASCHKE: What I'm saying is this. It is in my view sometimes important that those people, and only those people ,have access to a bid opening that are in among the accepted and registered bidders. There is now as I have come to understand...

MENON: But Mr. Paschke, the bids are not sent to all registered bidders. The bidding process itself is rigged. The people selected to receive the bids are picked by the UN so it's not as if everyone eligible gets the bid.

BONE: It sounds like a fix to me.

PASCHKE: No. I have to ....

LITTLEJOHNS: We have only a few seconds left.

PASCHKE: I just want to say that, of course, this is not a subject for me to defend -- existing rules and regulations. But I want to assure you once again that my Office is involved in viewing and reviewing, together with the office that manages procurement in this Organization, the proper procedures.

LITTLEJOHNS: Mr. Paschke on that note that's all the time we have. Thank you for being with us on this edition of **World Chronicle**. Our guest has been Under-Secretary-General, Karl Paschke, who heads the UN's Internal Oversight Services. He was interviewed by James Bone of *The Times of London,* and Bhaskar Menon of *International Documents Review*. I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.